

Fee for Service Rate Methodology Workgroup

MEETING NOTES

Date: September 18, 2006 (Monday)

Time: 1:00 p.m. – 3:00 p.m.

Where: Capitol Common - Conference Room E
400 S. Pine
Lansing, MI 48933

Attendees: Lynn Borck, John Dickey, Bruce Elkins, Bud Ferguson, Toni Hornberger, Ed Kemp, Sean Huse, Tom Koepke, Terry Latimer, Maryann Lorkowski, Helen, McNamara, Kathy Merry, Pam O'Farrell, Susan Powell, Jane Reagan, Jeff Siegel, Michelle Simmons, Dave Stirdivant, Toni Sturgis

Handouts: Provider Equivalency Statement to CMS
MDE State School Aid Update, August, 2006.

Highlighted areas are tasks to be completed prior to next meeting.

MSA Updates

- Provider Equivalency. The Workgroup reviewed the provider equivalency statement that Linda Sowle prepared for CMS. These minor revisions were agreed to: 1) Specify that Medicaid will only reimburse for speech services when provided by professionals who are CCC certified by ASHA. 2) Break the 4th paragraph into two separate sentences, one regarding Teacher Consultants and one regarding TSLIs. This will correct the impression that both types of employees were grandfathered in. 3) Rather than begin now to phase out reimbursement of speech services provided by TSLIs, have the four year phase out begin with the effective date of the new methodology as approved by CMS. The revised draft was sent to Julie Greenway and CMS Central Office.
- MSA is preparing for a telephone conference with CMS next week. CMS has agreed to consider our request for a 4 year phase out of ISD staff providing Medicaid speech therapy who do not have ASHA certification.
- Special Rehab Section of the Medicaid State Plan. Medicaid Staff will also advise CMS that it is our intent to keep SBS Fee for Service Program in the Special Rehab Section of the State Plan. We will provide CMS with a description of rehabilitative therapies provided to Michigan Medicaid children in any setting. These services are Medicaid covered and are not habilitative therapies.
- Claims billing. MSA staff will also seek CMS support for acceptable alternatives to claims billing as an appropriate method of service documentation for an aggregate cost settled reimbursement methodology.

ICR Recalculation - Jane Reagan

- MDE has made the decision to raise the cap for unrestricted indirect cost rate to 25% for Medicaid billing purposes only. They have been recalculated for the current year 2006-07, and back two years for school years 2005-06, and 2004-05). She brought handouts to show how MDE has notified schools: through the August 2006 "State School Aid Update" circulated statewide and through the MDE web page under "Office of State Aid and School Finance, then "indirect cost rates", then "current" or "archived rate information". She also brought a sample page from the published rates to show this rate is labeled "Medicaid Rate" in the spreadsheets. Helen McNamara and Michelle Simmons will review the calculations and look at the overall impact if claims from the past 7 quarters were to be re-calculated and re-submitted. The results of their review will be discussed at the next meeting along with consideration of possible rebilling of Outreach Program claims. The members agreed that any re-submission of old claims must involve all ISDs or none, for Program integrity. The current Administrative Outreach policy does not include an ICR percentage amount and is not in conflict with this change.

Fee for Service Rate Methodology Work Group Meeting Notes

September 18, 2006

Page 2 of 2

Rate Setting RMTS Decision

- The first statewide RMTS to develop data for anticipated changes in the FFS Program will be performed in the Jan-Mar quarter of 2007 in anticipation of implementing the new reimbursement methodology and personal care coverage. In order for this time study to occur, staff pool lists for targeted case managers and personal care staff will need to be put together in early October for any of those individuals who are NOT currently participating in the time studies.
- PCG will hold Web-Ex trainings on October 12, 17 and 19 to outline who should be included in the two new staff pools. The web-ex trainings will be held each day at 10:30 a.m. and 2:30 p.m. Instructions on how to access these trainings will be forwarded the week of October 9.

Personal Care Discussion

- RMTS. After a brief discussion regarding the success of personal care coverage in other states, it was determined that the program will proceed with implementing coverage of personal care. As noted above, the RMTS will be statewide.
- ISDs not billing for personal care. The RMTS must include all ISDs regardless if they opt out of actually billing for personal care after it is added to SBS coverage. Staff who provide personal care as a regular part of their job should be included in the staff pool, even if these staff are federally funded, since no reimbursement will necessarily be claimed from this first time study.
- Documentation. Personal care services must be included in the IEP. The exact location in the IEP is not critical (ie, could be in the "present level of performance—PLEP, or other area).
- Cost reporting—4096 revisions. Sean Huse raised the question of a decision regarding the revision of the SE 4096 form for SBS cost reporting or the use of an addendum to report personal care costs. Special ed Aides are currently in the non-reimbursable column of that form, and many schools currently pay them with 100% federal funds. **The revisions of the SE 4096 to best capture their costs will have to be made by January or February 2007** to allow enough time to work with MDE Office of Special Education and Early Intervention Services to notify every School district in the state. This will allow districts to adjust their record-keeping for Medicaid billing purposes, knowing their fiscal year begins on July 1 each year.

Other

- Backcasting. There was no news on the preliminary report Julie Greenway had promised to share by early Fall 2006.
- Parental Consent change in IDEA regs. Kathy Merry asked the status of this. Jane Reagan informed the group that there are still questions and need for clarification related to this new regulation, issued August 2006 [at 34 CFR 300.154(d)] The MDE and rest of the U.S. need more info re: what the federal Office of Special Education Programs (OSEP) is looking for and will provide districts with clarification ASAP. She also mentioned that she sent out a brief note on this subject to her email list on 9-12-06, and Supts DeVault and Siegel sent a note to all ISD Superintendents on 8-31-06 about this issue.
- Update on national response to proposed federal budget cuts to Medicaid SBS. Kathy Merry provided the group with an update of her presentation at the Association of Educational Service Agencies meeting. Kathy gave them considerable information about the proposed cuts, the bills that have been introduced in the Senate and House, and the meetings with the Michigan Congressional delegation and their staff. Letters from high-ranking members of Congress, Governors, State Superintendents and national organizations are being sent to US Dept of Health and Human Services Secretary Leavitt, and Directors Smith and McClellan (who just announced his resignation, effective date not known yet). Each of these letters asks that they not implement the proposed cuts. The SBS portion is only 0.0222% of the federal budget.

Next Meetings:

- October 24, 2006 1:00-3:00
- November 28, 2006 1:00-3:00

Note: Special thanks to Jane Reagan and Terry Latimer for their significant contribution to these meeting minutes.